



paytm

Regain trust - Retain users Strategy

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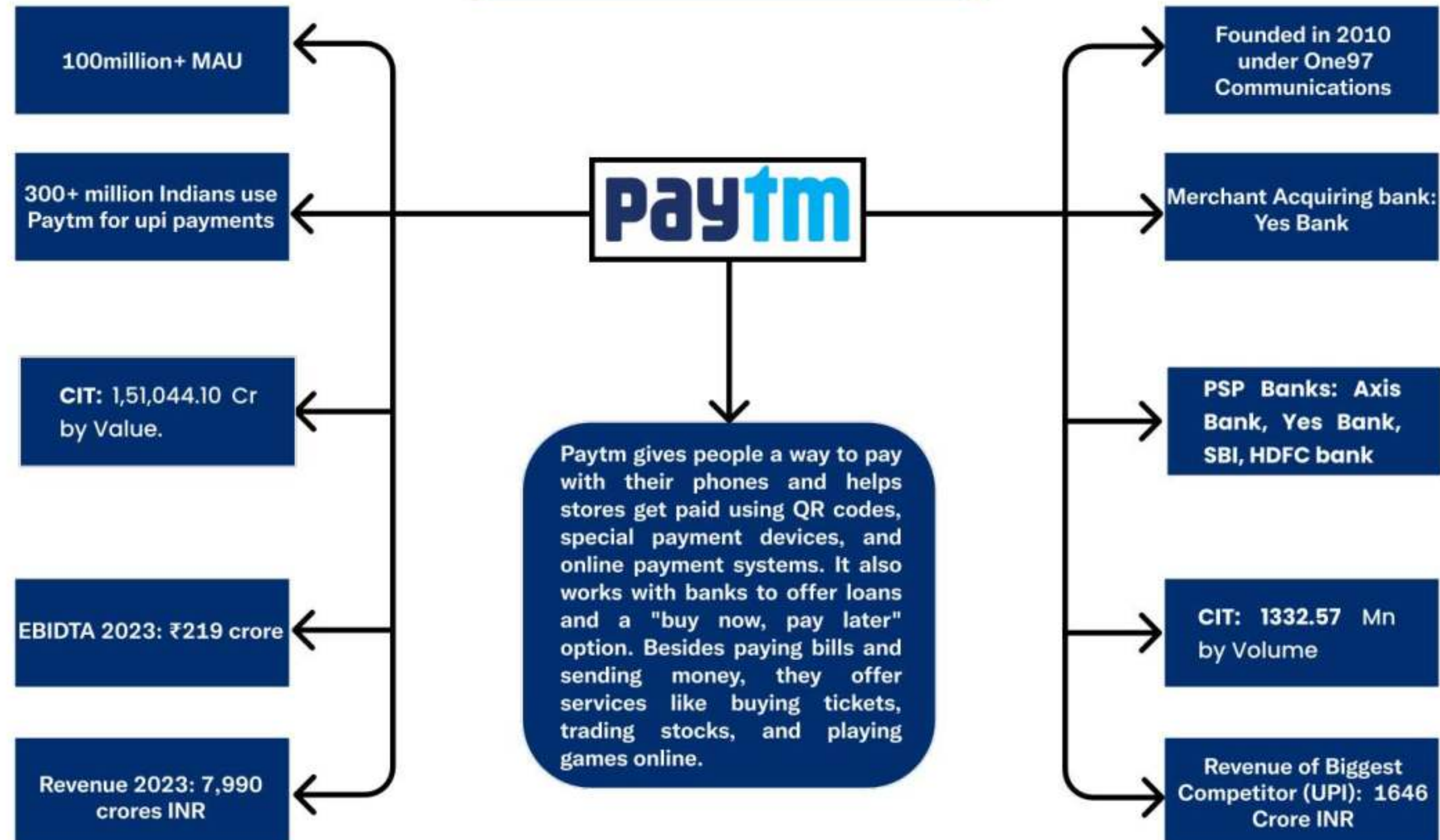
Features

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Features



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STRENGTH

- Diverse Product Portfolio:** Paytm boasts a diverse range of products and services including payments, banking, shopping, and entertainment.
- Market Leader:** Being one of the leading players in India's digital payment industry, Paytm holds a significant market share.
- User Base:** With millions of users, Paytm has a vast customer base, providing a strong foundation for growth.
- Brand Recognition:** Paytm enjoys strong brand recognition and trust among consumers, which enhances its competitive advantage.

WEAKNESS

- Dependence on Mobile Internet:** Paytm's operations heavily rely on mobile internet connectivity, which could pose challenges in areas with poor network coverage.
- Security Concerns:** The digital nature of Paytm's services exposes it to cybersecurity threats and concerns regarding the safety of users' financial information.
- Limited Global Presence:** Despite its success in the Indian market, Paytm's global presence is relatively limited, potentially limiting its growth opportunities.
- Regulatory Risks:** The evolving regulatory landscape in India poses risks to Paytm's business operations, especially regarding compliance and licensing requirements.

- Financial Inclusion:** Paytm can leverage its platform to further promote financial inclusion by reaching underserved populations and offering them access to banking and payment services.
- Expansion into New Markets:** Exploring opportunities in international markets could diversify Paytm's revenue streams and reduce its dependence on the Indian market.
- Diversification of Services:** Continuously expanding its range of services beyond payments, such as e-commerce, entertainment, and financial services, could attract more users and increase revenue.
- Partnerships and Collaborations:** Collaborating with other businesses, banks, and financial institutions could open up new avenues for growth and innovation for Paytm.

OPPORTUNITIES

- Competition:** Intense competition from both domestic and international players in the digital payment industry poses a threat to Paytm's market share and profitability.
- Regulatory Changes:** Changes in government regulations and policies related to digital payments could disrupt Paytm's operations and increase compliance costs.
- Technological Disruption:** Rapid technological advancements and innovations could render Paytm's existing offerings obsolete or less competitive if it fails to keep pace with emerging trends.
- Economic Instability:** Economic downturns or fluctuations in consumer spending could adversely affect Paytm's business performance and financial stability.

THREAT

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Competitor Analysis : Direct Competition



PhonePe

About: As a subsidiary of Flipkart, PhonePe stands out as a prominent digital payment platform, offering a wide range of services similar to Paytm.

Customer Initiated Transactions (CIT): PhonePe facilitated a staggering 6140.97 million transactions by volume, amounting to a total value of 9,67,467 crore.

Unique Selling Proposition (USP) of PhonePe: PhonePe's early entry into the market, coupled with its user-friendly app interface, diverse service offerings, and robust marketing efforts, have propelled it to dominance in UPI transactions, commanding an impressive 50% share.

Revenue: PhonePe generated revenue of 1646 crore INR, showcasing its strong financial performance and market presence.



BHIM UPI

About: Developed by the National Payments Corporation of India (NPCI), BHIM UPI (Unified Payments Interface) is a government-backed payment system.

Customer Initiated Transactions (CIT): 58.84 Mn by Volume and 9,486 Cr by Value



Amazon Pay

About : Amazon Pay, backed by the e-commerce giant Amazon which gives it an advantage, particularly in the e-commerce segment.

Customer Initiated Transactions (CIT): 63.53 Mn by Volume and 6611 Cr by Value



0.38%
BHIM UPI

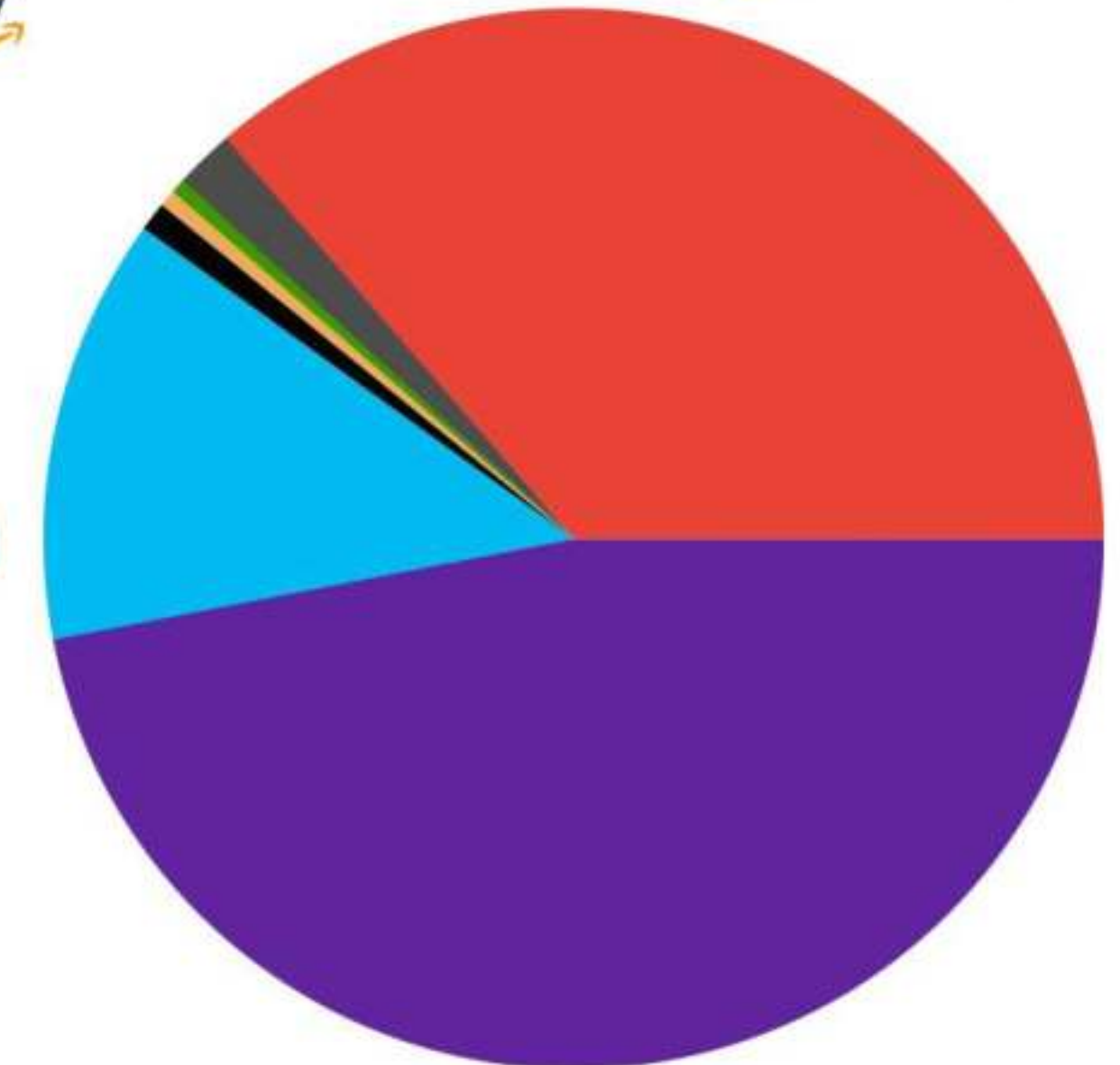
0.40%
pay

0.90%

13%
Paytm

1.92%
Others

36.40%
Google Pay



47%

PhonePe



Google Pay

About: Google Pay has established a strong presence in the Indian market with its intuitive interface and integration with Google's ecosystem.

Customer Initiated Transactions (CIT): 4755.40 Mn by Volume and 6,71,539 Cr by Value



Cred UPI

About : Emerging as a significant competitor, Cred UPI offers a unique proposition by focusing on credit card bill payments

Customer Initiated Transactions (CIT): 118.77 Mn by Volume and 40,525 Cr by Value

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Competitor Analysis : Indirect Competition



Debit and Credit Cards

- While not direct competitors to UPI-based payment apps, they are frequently utilized for retail transactions at POS terminals.
- They enable cash withdrawals through ATM machines via the NPCI National Financial Switch.
- These methods are subject to MDR charges:
 - Credit cards: 1% to 3% of the transaction value.
 - Debit cards: 0.25% to 1% of the transaction amount.
- They offer higher transaction limits per transaction.
- Prominent players in India are Mastercard, Visa and Rupay



Net Banking

- Banks employ tools of netbanking as avenues for online money transfers.
- **NEFT:**
 - Facilitates electronic funds transfers in batches.
 - Suitable for various transactions with no upper limit.
 - Service charges may apply.
- **RTGS:**
 - Enables real-time, individual settlement of high-value transactions.
 - Typically used for immediate transfers.
 - Involves higher service charges.



Cash

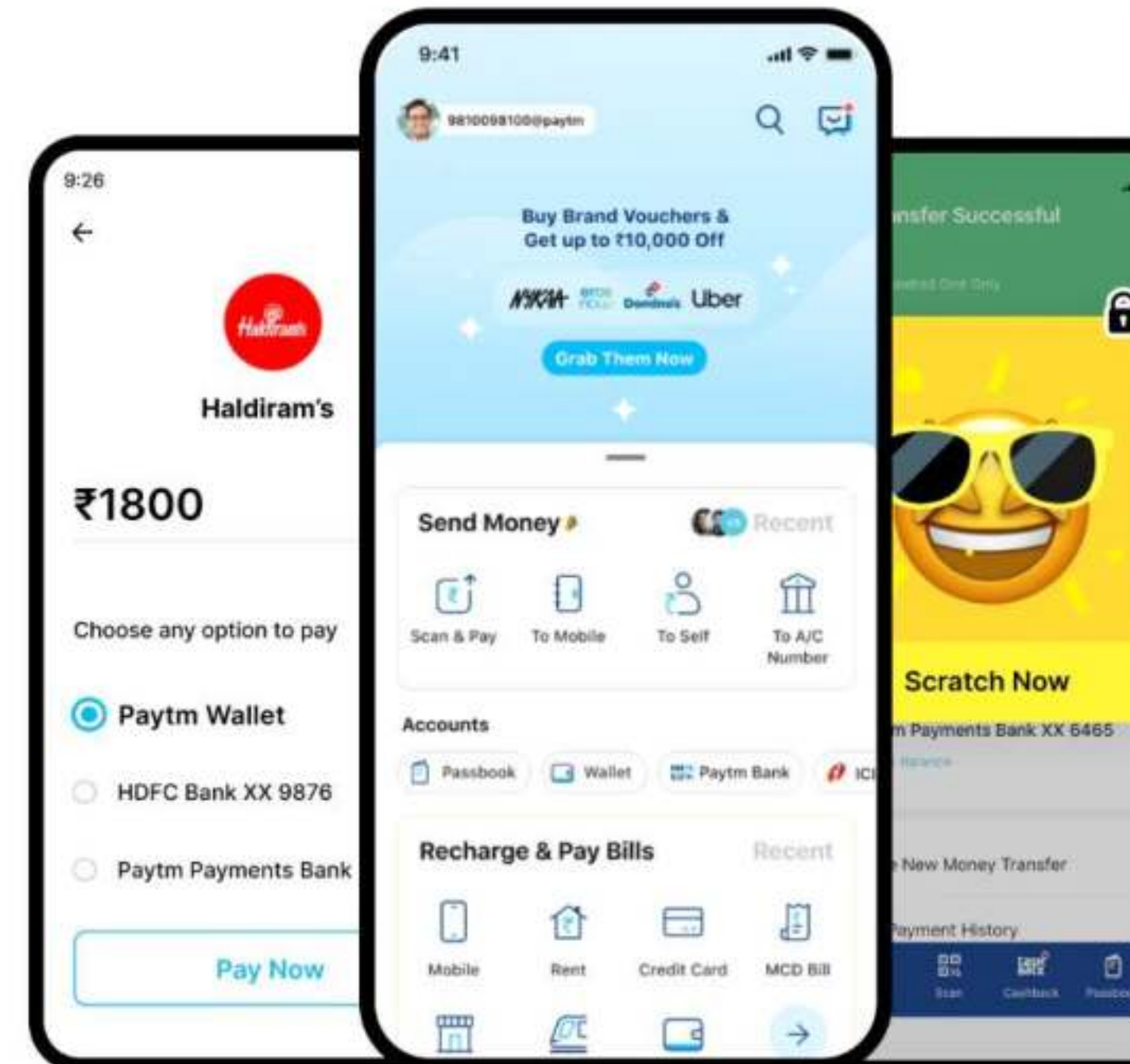
- Despite the rise of digital payment platforms, cash remains a prevalent and widely accepted form of payment in many parts of the world.
- Cash transactions offer anonymity, require no technological infrastructure, and are not subject to network outages or technical glitches.
- Share of Cash as payment method is an opportunity for all the payment methods that can be capitalised as India moves towards further digitalisation of banking and non-banking transactions



UPI Payments by NPCI

- 1. Brand Recognition and Trust:** Paytm's strong brand recognition and established trust among consumers provide it with a competitive edge over newer entrants in the market.
- 2. Diverse Product Portfolio:** Offering a wide range of services beyond just payments, including banking, shopping, and entertainment, helps Paytm differentiate itself and attract a diverse user base.
- 3. Innovative Technology:** Continuous innovation in technology and user experience is crucial for staying competitive in the rapidly evolving digital payment landscape.
- 4. Strategic Partnerships:** Forming strategic alliances with banks, merchants, and other businesses can enhance Paytm's market reach and service offerings, providing a competitive advantage.

Problem Statement: As the Chief Product Officer of Paytm, I am tasked with addressing the decline in user and merchant trust following non-compliance issues with Paytm Payments Bank. Despite securing a third-party app license, negative publicity has led to a noticeable drop in active users. Over the next three months, I will focus on launching new app features to restore confidence. Priorities include enhancing security measures, providing transparent financial insights, improving customer support, and implementing trust-building initiatives. These efforts aim to demonstrate Paytm's commitment to compliance and user satisfaction, ultimately regaining trust and retaining our user base. Through proactive measures and a focus on addressing root concerns, we strive to reaffirm Paytm's position as a trusted partner in India's digital financial ecosystem.



Download Paytm App



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Neha
42 ♀

- **Demographics:** Age 42, Female, Urban, Owner of a local grocery store.
- **Background:** Neha relies on digital payment platforms like Paytm to manage transactions in her store efficiently.
- **Needs and Goals:** Neha seeks a secure and reliable payment solution to ensure smooth operations in her business. She values transparency and trustworthiness in financial transactions.
- **Pain Points:** Recent non-compliance issues with Paytm Payments Bank have left Neha feeling uncertain about the security of her business transactions. She worries about the potential impact on her store's reputation and customer trust.



Raj
23 ♂

- **Demographics:** Age 23, Male, Urban, Office worker
- **Background:** Raj frequently uses digital payment apps for various transactions and enjoys collecting discounts and coupons.
- **Needs and Goals:** Raj seeks convenience and savings through digital payment platforms. He enjoys gamified features that reward him for regular usage.
- **Pain Points:** Raj feels disappointed when he misses out on coupon opportunities or when digital payment platforms lack engaging features. He desires more incentives to continue using these platforms regularly.



Ananya
25 ♀

- **Demographics:** Age 25, Female, Rural, Farmer's daughter.
- **Background:** Ananya uses digital payment apps for various transactions but faces challenges due to limited internet connectivity in her rural area.
- **Needs and Goals:** Ananya values convenience and reliability in managing her finances. She seeks payment solutions that work seamlessly even in areas with poor internet connectivity.
- **Pain Points:** Ananya often struggles to conduct transactions when internet connectivity is poor, leading to frustration and inconvenience. She desires a payment solution that can reliably handle transactions regardless of connectivity issues.

Feature 1: Payment Streak (PS)

Overview: Payment Streak is a new feature introduced in the Paytm app aimed at enhancing user engagement and improving retention rates. It incentivizes users to make regular payments using the app by rewarding them for maintaining a consistent payment streak over time.

Benefits:

- **Increased User Engagement:** The Payment Streak feature encourages users to interact with the app on a daily basis, leading to higher engagement levels.
- **Improved Retention:** By offering rewards for consistent usage, Payment Streak incentivizes users to continue using the app over time, thereby improving retention rates.
- **Enhanced User Satisfaction:** Users feel motivated and rewarded for their loyalty and active participation, leading to a positive overall experience with the Paytm app.
- **Promotion of Financial Discipline:** Encouraging regular payments through the streak mechanism fosters financial discipline among users, promoting responsible spending habits.

How it Works:

1. **Initiation:** Upon logging into the Paytm app, users are greeted with a visual representation of their current payment streak status.
2. **Start of Streak:** Users begin their streak by making a payment using any of the available services within the app, such as mobile recharge, bill payment, or UPI transaction.
3. **Streak Tracking:** The app tracks the frequency and consistency of payments made by the user on a daily, weekly, and monthly basis.
4. **Streak Rewards:**
 - **Daily Rewards:** Users who maintain a streak of consecutive daily payments are rewarded with bonus cashback, discount coupons, or loyalty points.
 - **Weekly and Monthly Rewards:** Additionally, users are eligible for larger rewards, such as higher cashback percentages or exclusive offers, for maintaining streaks over longer periods (e.g., weekly or monthly).
5. **Streak Continuation:** To keep the streak active, users must make at least one payment per day. Missing a day resets the streak counter, but users can start a new streak and work towards building it up again.
6. **Streak Notifications:** Users receive regular notifications reminding them to make a payment to maintain their streak and highlighting the potential rewards they can earn.

Feature Rationale

Psychological Reason: Payment Streak capitalizes on human psychology by offering rewards for consistent behavior. Humans are motivated by incentives and experience satisfaction and pride when rewarded for their actions. By providing incentives for maintaining a streak of regular payments, Paytm taps into this innate drive, encouraging users to engage with the app consistently.

Feature Rationale: Payment Streak serves strategic goals of enhancing user engagement and retention. By gamifying transactions and rewarding users for their activity, Paytm creates a more compelling user experience. This frequent interaction not only increases app utility but also fosters loyalty and attachment to the platform. Moreover, in a competitive market, such features differentiate Paytm, providing a unique selling point that attracts and retains users. Overall, Payment Streak aligns with both psychological principles and business objectives, driving user satisfaction, loyalty, and ultimately, business growth.

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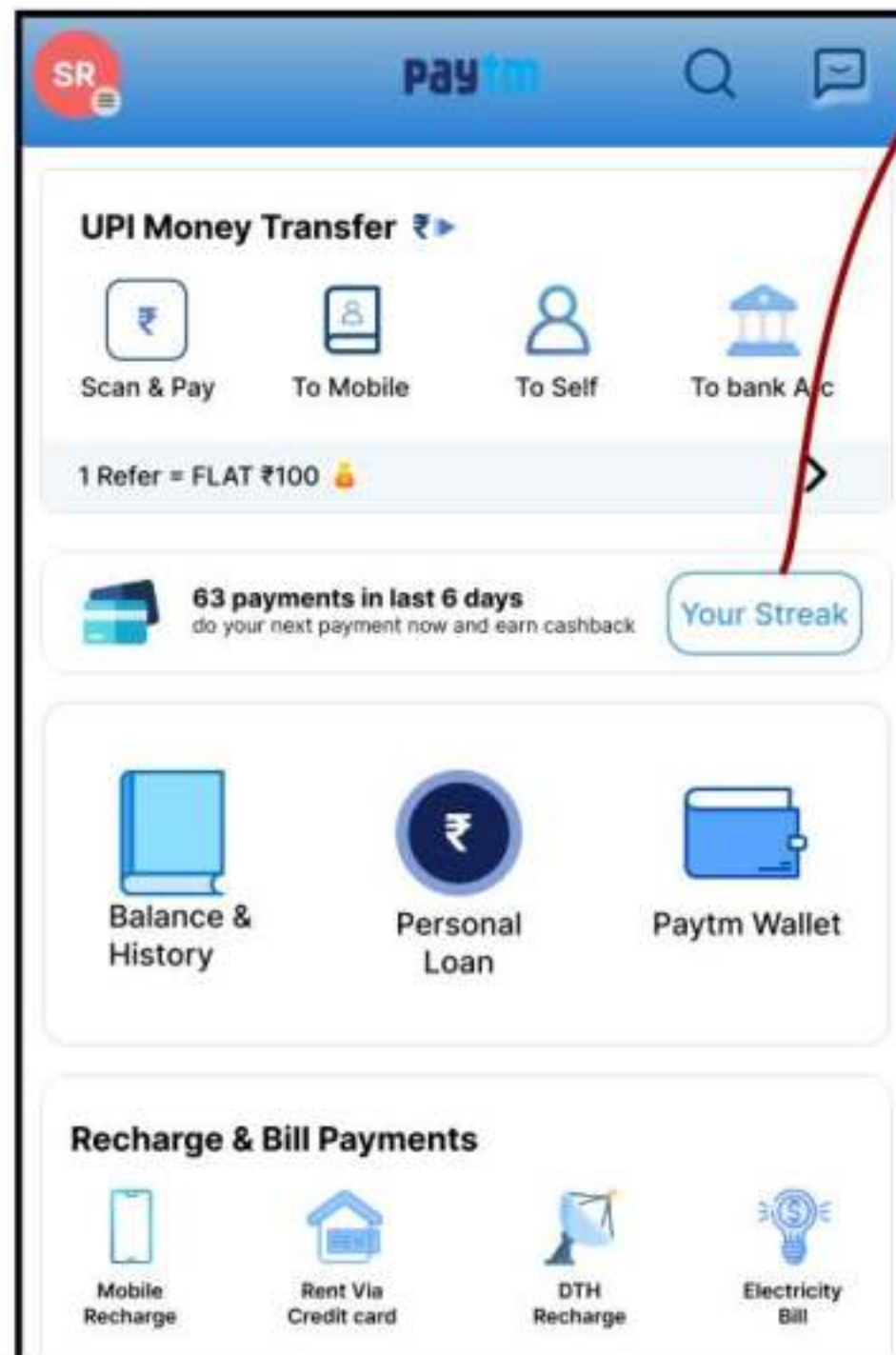
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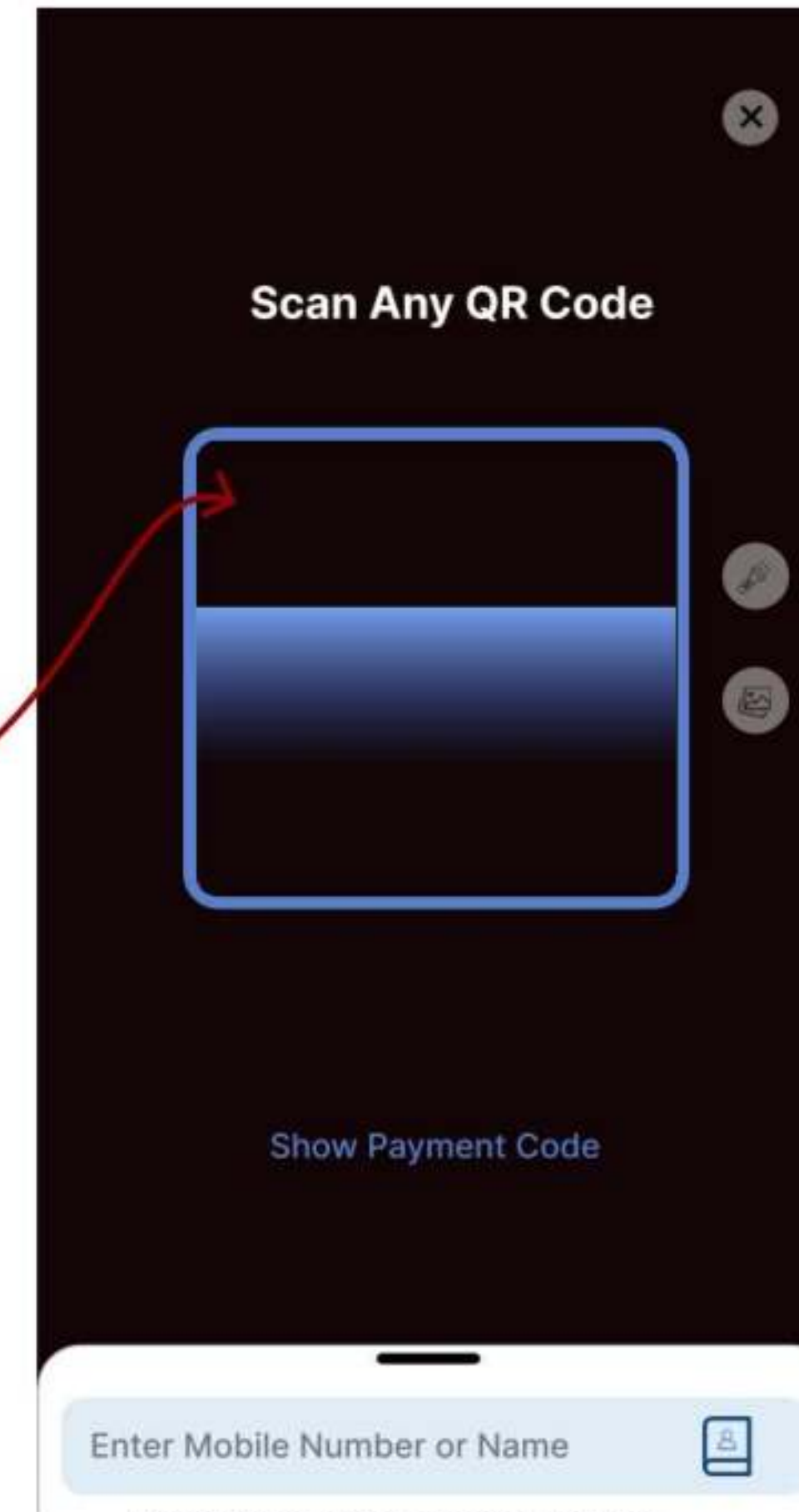
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Feature 1: Payment Streak (PS)

Example: Feature Flow for 7 day Streak



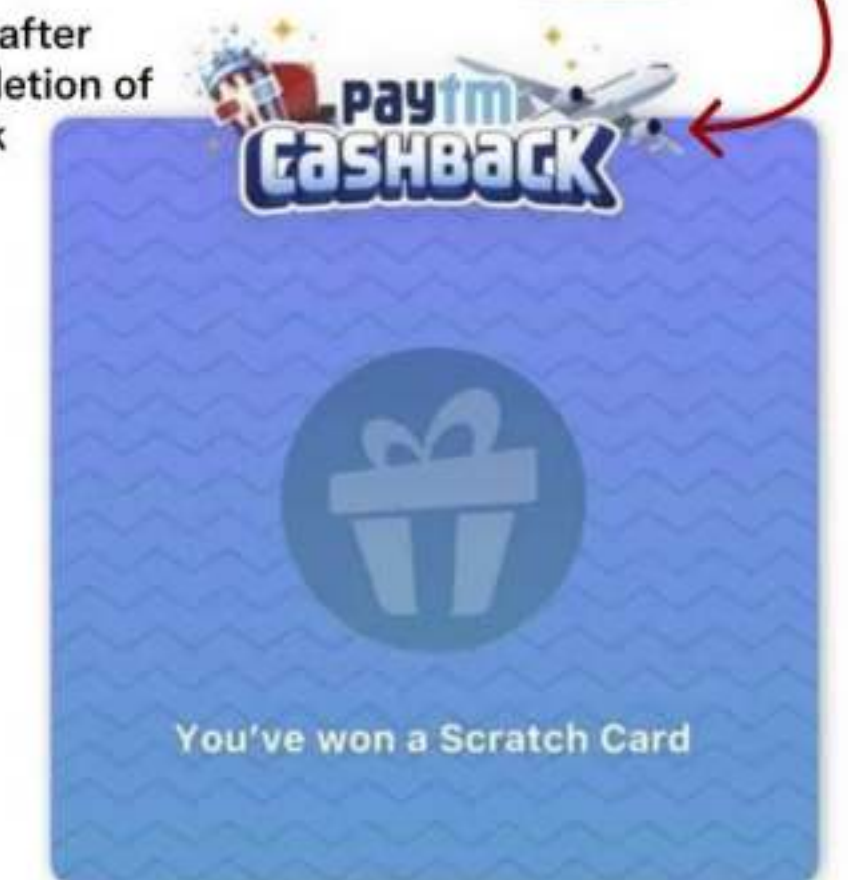
User can track his current status in Streak



Each Online transaction will be counted into the streak



Offer after completion of streak



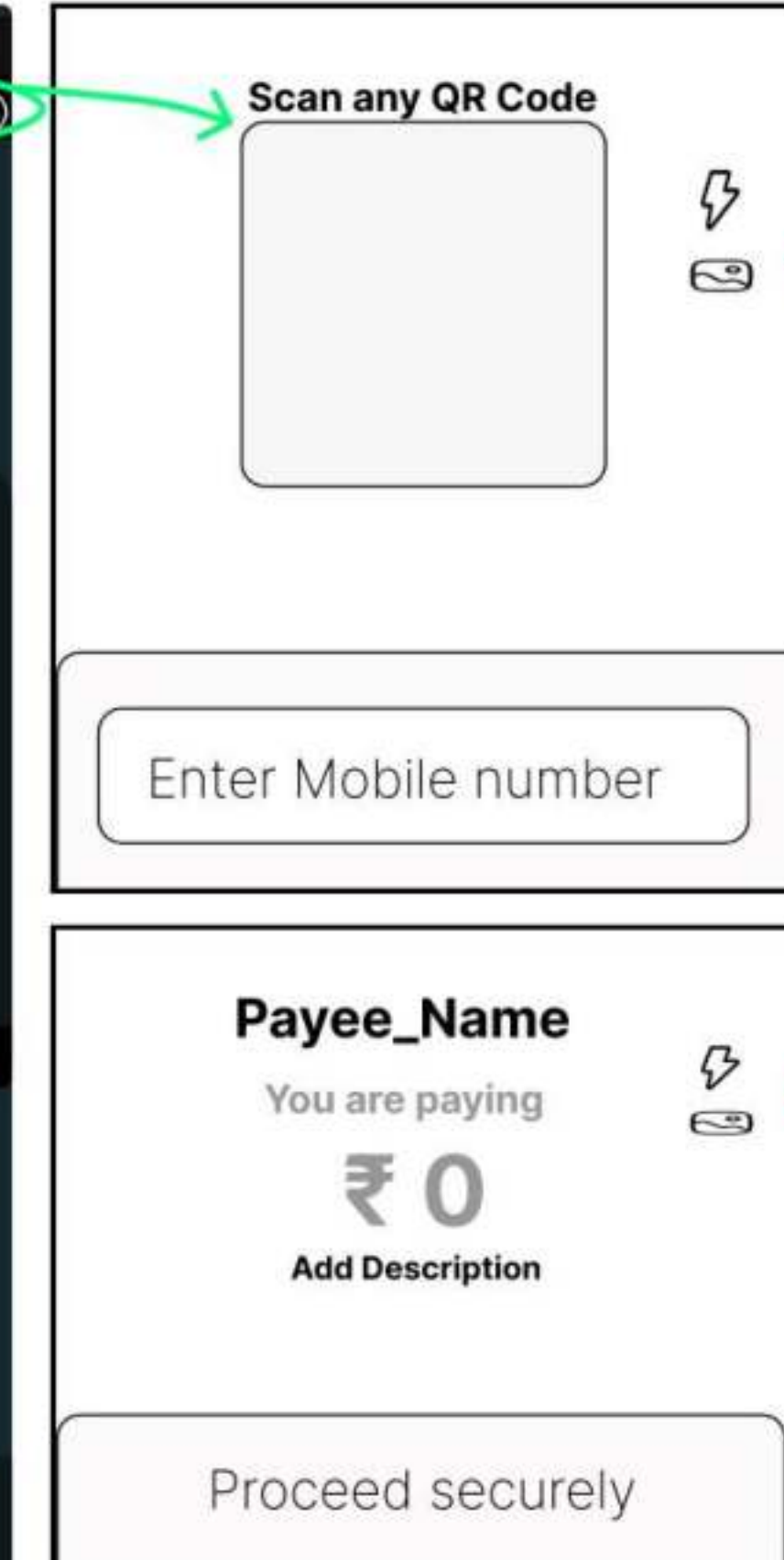
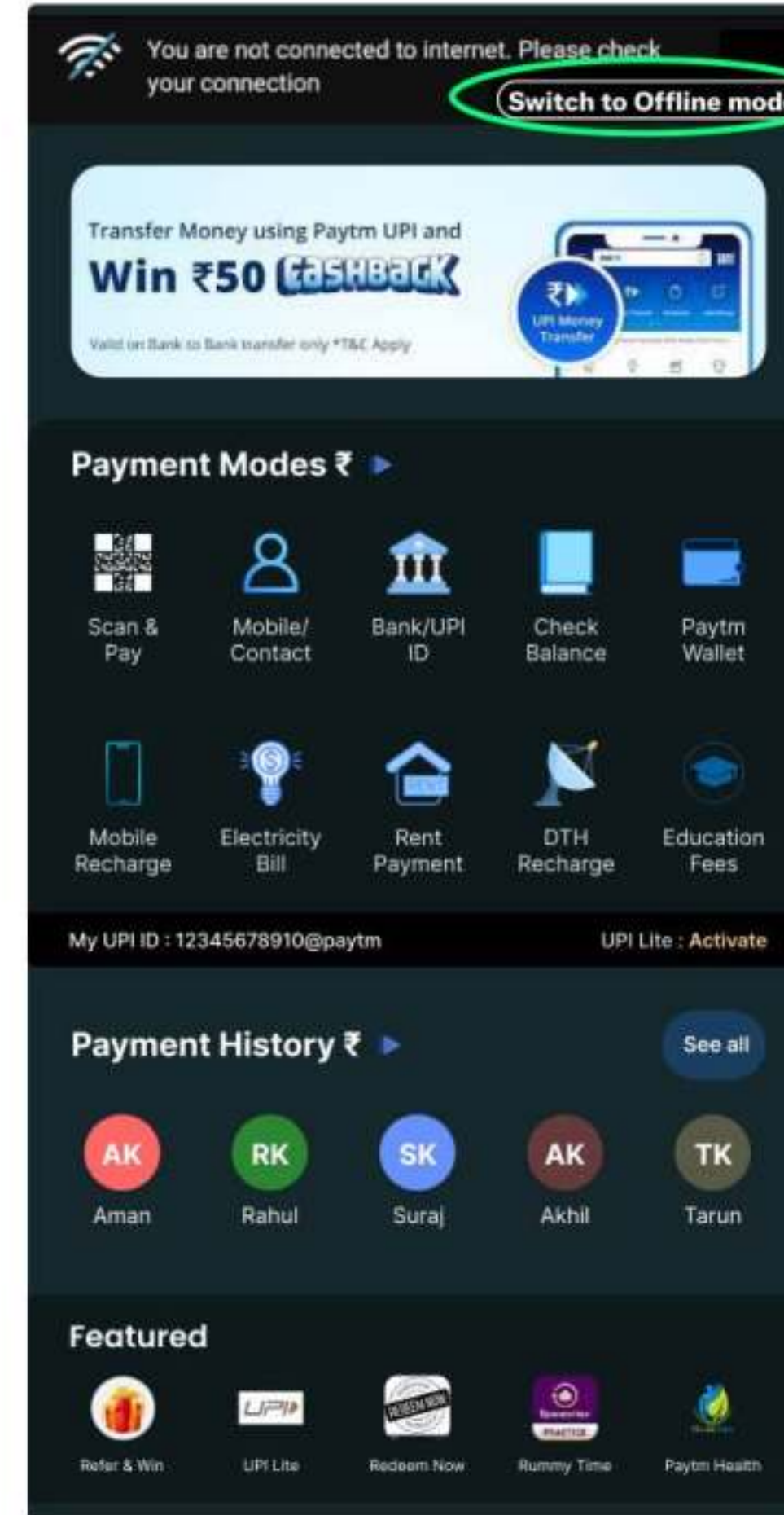
Feature 2: USSD Integration

Feature overview: This feature enhances the Paytm app's capability to facilitate UPI payments by integrating USSD technology for UPI. When users encounter internet connectivity issues during a UPI transaction, they can opt to complete the transaction via USSD from within the Paytm app, ensuring a seamless payment experience regardless of internet availability.

How it works

1. **Initiating Payment:** Users initiate a UPI payment transaction within the Paytm app as usual.
2. **Internet Check:** The app detects the availability of the internet connection. If the connection is stable, the transaction proceeds using the standard online method.
3. **Internet Connection Failure:** If the app detects a lack of internet connectivity, it prompts the user with an option to complete the transaction using USSD.
4. **USSD Integration:** Upon selecting the USSD option, the Paytm app sends a USSD request to the user's mobile operator, initiating a USSD session.
5. **USSD Menu:** The user receives a USSD menu on their device, displaying options to confirm the payment details.
6. **Authentication:** The user verifies the payment details and enters their UPI PIN via the USSD menu.
7. **Transaction Processing:** Upon successful authentication, the USSD session processes the UPI payment transaction in the background.
8. **Confirmation:** Once the transaction is completed, the user receives a confirmation message on the USSD menu, indicating the successful payment.
9. **Syncing with Paytm:** The Paytm app syncs with the transaction status, updating the payment status within the app interface.

Feature Rationale: The integration of USSD technology into the Paytm app for UPI payments addresses the common issue of internet connectivity interruptions during transactions. This feature ensures a seamless payment experience for users, regardless of internet availability. By offering an alternative payment method via USSD, Paytm enhances accessibility, particularly for users in areas with limited internet infrastructure. Moreover, USSD integration reduces transaction failures, increasing overall reliability. This feature highlights Paytm's commitment to technological innovation and customer-centric solutions, showcasing its agility in addressing user needs and leveraging emerging technologies. Overall, USSD integration enhances user satisfaction, fosters trust, and aligns with Paytm's mission to provide seamless and accessible digital payment solutions.



Users input their bank-linked phone number, and Paytm finalizes the transaction using USSD technology, facilitated by the cellular service provider.

Feature 3 : Expense Tracking (ET)

Overview: The Expense Tracking feature empowers users to monitor and manage their spending directly within the Paytm app. Users can categorize expenses, set budgets, and visualize their financial habits through intuitive graphs and reports.

Key Features:

- 1. Expense Logging:** Users can manually input their expenses or link their bank accounts/cards for automatic tracking.
- 2. Categorization:** Expenses are categorized into predefined or customizable categories (e.g., groceries, utilities, entertainment).
- 3. Budget Setting:** Users can set spending limits for each expense category to manage their finances effectively.
- 4. Visual Representation:** Expenses are presented visually through graphs and charts, allowing users to easily understand their spending patterns over time.
- 5. Notification Alerts:** Users receive alerts when approaching or exceeding budget limits, enabling proactive financial management.
- 6. Security Measures:** Robust security measures ensure the confidentiality and integrity of users' financial data, fostering trust and confidence in the platform.

Feature Rationale

Improving Retention Rate:

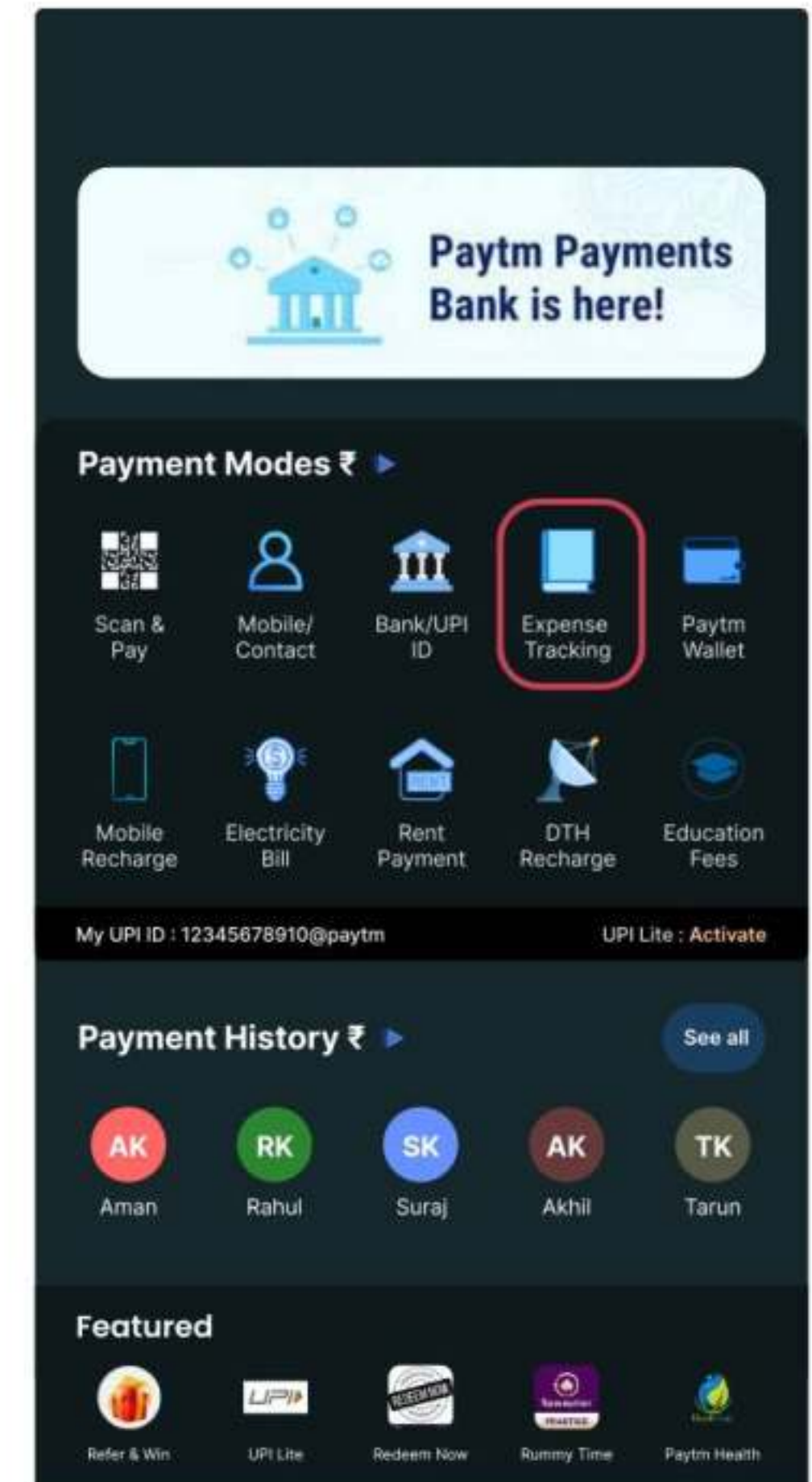
- **Increased Engagement:** By providing users with tools to monitor and manage their expenses, Paytm encourages regular app usage, leading to improved retention rates.
- **Value Addition:** Expense Tracking enhances the app's utility beyond just payments, making it a comprehensive financial management tool that users rely on daily.

Building Trust:

- **Transparency:** Transparent expense tracking builds trust by empowering users with insights into their spending habits and financial health.

Enhancing User Experience:

- **Convenience:** Centralizing expense tracking within the Paytm app eliminates the need for users to use multiple apps or platforms, streamlining their financial management process.
- **Personalization:** Customizable categories and budget settings allow users to tailor the experience to their individual financial goals and preferences.



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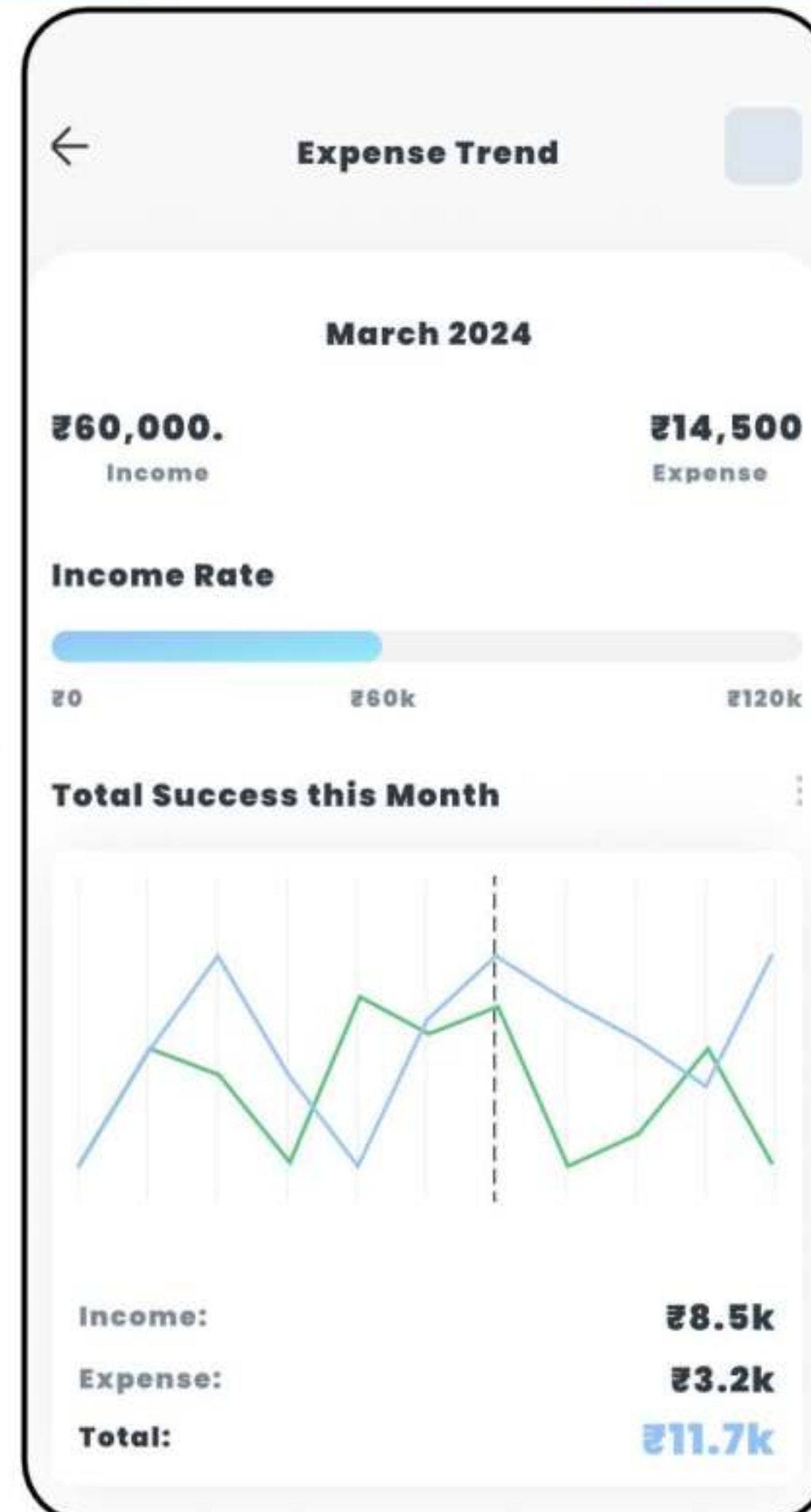
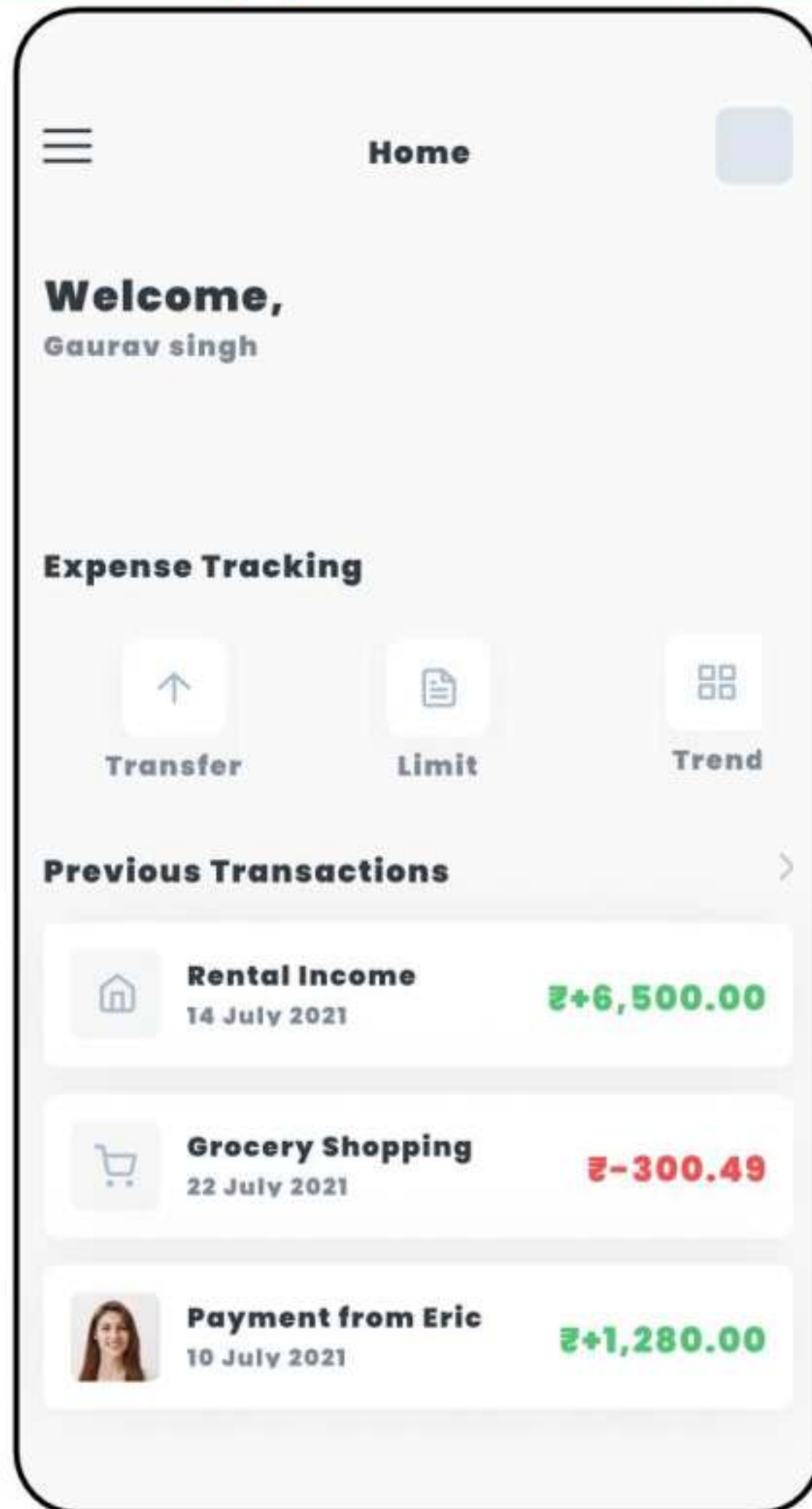
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RICE Framework

Feature	Reach(R)	Imapct(I)	Confidence(C)	Effort(E)	$(R*I*C)/E$	Priority
1: PS	5	4	4	4	20	1st
2: OP	4	4	3	5	9.6	3rd
3: ET	4	5	4	5	16	2nd

1
Feature 1: PS

2
Feature 3: ET

3
Feature 2: OP

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North star metric

Feature 1 (PS):

- **Payment Streak Continuity Rate (PSCR):** Percentage of users who maintain an active payment streak over time.
- **Average Length of Payment Streak (ALPS):** Average duration in days that users maintain their payment streaks.
- **Payment Streak Redemption Rate (PSRR):** Percentage of eligible rewards earned by users through the payment streak feature that are actually redeemed.

Feature 2 (OP):

- **USSD Transaction Success Rate (UTSR):** Percentage of UPI transactions successfully completed using USSD technology during instances of internet connectivity failure.
- **USSD Transaction Time (UTT):** Average time taken to complete a UPI transaction using USSD technology, from initiation to confirmation.
- **USSD Transaction Volume Growth Rate (UTVGR):** Rate of increase in the total number of UPI transactions completed using USSD technology over a specified period.

Feature 3 (ET):

- **Expense Tracking Adoption Rate (ETAR):** Percentage of Paytm app users who actively utilize the Expense Tracking feature to monitor and manage their spending.
- **Budget Setting Engagement Rate (BSER):** Proportion of users who have set at least one budget limit within the Expense Tracking feature, compared to the total number of users who have activated the feature.
- **Notification Alert Response Rate (NARR):** Percentage of users who have taken action (e.g., adjusting spending behavior, reviewing budgets) in response to receiving notification alerts about approaching or exceeding budget limits within the Expense Tracking feature.

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Before Launch

Payment Streak Feature:

- Market Research and Audience Segmentation:
 - Conduct market research to identify target audience segments interested in loyalty programs and incentivized payment schemes.
 - Segment the audience based on demographics, behavior, and preferences to tailor marketing messages effectively.
- Teaser Campaigns and Beta Testing:
 - Generate buzz and curiosity around the Payment Streak feature through teaser campaigns on social media and email newsletters.
 - Recruit beta testers from the target audience to gather feedback, refine the feature, and identify any issues before the official launch.

USSD Integration Feature:

- Connectivity Awareness Campaigns:
 - Educate target users about the challenges of internet connectivity and the benefits of USSD integration through informative blog posts, webinars, and social media content.
 - Collaborate with mobile operators to raise awareness among their subscribers about the upcoming USSD integration feature.
- User Feedback Collection:
 - Solicit feedback from users in areas with poor internet connectivity or frequent outages to understand their pain points and needs related to payment transactions.

Expense Tracking Feature:

- Financial Literacy Content Creation:
 - Develop educational content on budgeting, expense tracking, and financial management to prepare users for the upcoming Expense Tracking feature.
 - Offer tips and strategies for setting financial goals and managing expenses effectively.
- User Research and Persona Development:
 - Conduct user research to understand the target audience's financial habits, pain points, and motivations for using expense tracking tools.
 - Create user personas to guide messaging and feature development based on user needs and preferences.

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During Launch

Payment Streak Feature:

- Soft Launch and Limited Availability:
 - Roll out the Payment Streak feature to a limited audience or specific user segments initially to gather feedback and validate assumptions.
 - Monitor user engagement and satisfaction levels to identify areas for improvement before scaling the feature.
- User Onboarding and Training:
 - Provide guided tours and tutorials within the app to onboard users to the Payment Streak feature smoothly.
 - Offer incentives or bonuses for early adopters to encourage participation and increase retention.

USSD Integration Feature:

- Partnership Announcements:
 - Announce strategic partnerships with mobile operators or financial institutions to integrate USSD technology into the Paytm app for payment transactions.
 - Highlight the benefits of USSD integration, such as enhanced reliability and accessibility, in press releases and media coverage.
- Promotional Offers and Incentives:
 - Offer exclusive discounts or rewards for users who opt to complete transactions using USSD technology during the launch period.
 - Run promotional campaigns to incentivize users to try out the new feature and provide feedback.

Expense Tracking Feature:

- Feature Spotlight and Demos:
 - Showcase the Expense Tracking feature prominently within the Paytm app and on the website, highlighting its key functionalities and benefits.
 - Conduct live demos or webinars to demonstrate how users can leverage the feature to track their expenses and manage their finances effectively.
- Early Access Programs:
 - Invite select users to participate in early access programs for the Expense Tracking feature, allowing them to test out the functionality before the wider launch.
 - Gather feedback from early adopters to make any necessary adjustments or improvements before the official release.

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After Launch

Payment Streak Feature:

- Iterative Improvements based on Feedback:
 - Continuously gather user feedback through surveys, reviews, and analytics to identify areas for improvement in the Payment Streak feature.
 - Implement iterative updates and enhancements based on user input to enhance usability and drive engagement.
- Expansion and Scalability:
 - Scale the Payment Streak feature to reach a wider audience and explore opportunities for integration with other loyalty programs or incentives within the Paytm ecosystem.
 - Explore partnerships with merchants or brands to offer exclusive rewards and benefits for users participating in the Payment Streak program.

USSD Integration Feature:

- User Education and Support:
 - Provide ongoing education and support resources to help users understand how to use the USSD integration feature effectively.
 - Offer troubleshooting guides and customer support channels to assist users with any issues or questions related to USSD transactions.
- Network Optimization and Reliability:
 - Collaborate with mobile operators to improve network infrastructure and optimize USSD technology for seamless and reliable payment transactions.
 - Monitor network performance and address any connectivity issues promptly to ensure a positive user experience.

Expense Tracking Feature:

- User Engagement Campaigns:
 - Launch engagement campaigns to encourage ongoing usage of the Expense Tracking feature and promote financial literacy among users.
 - Offer incentives or rewards for users who consistently track their expenses and achieve their budgeting goals.
- Feature Integration with Financial Services:
 - Explore opportunities to integrate the Expense Tracking feature with additional financial services, such as investment platforms or credit monitoring tools, to provide users with a comprehensive financial management solution.
 - Partner with financial institutions to offer personalized recommendations and insights based on users' spending habits and financial goals.

